

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

April 24, 2012

**Date of Report
(Date of earliest event reported)**

HARMONIC INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-25826
Commission
File Number

77-0201147
(I.R.S. Employer
Identification Number)

**4300 North First Street
San Jose, CA 95134
(408) 542-2500**

(Address, including zip code, and telephone number, including area code,
of Registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 24, 2012, Harmonic Inc. ("Harmonic" or the "Company") issued a press release regarding its preliminary and unaudited financial results for the quarter ended March 30, 2012. In the press release, Harmonic also announced that it would be holding a conference call on April 24, 2012 to discuss its financial results for the quarter ended March 30. A copy of the press release is furnished as Exhibit 99.1 hereto, and the information in Exhibit 99.1 is incorporated herein by reference.

The information in this Current Report on Form 8-K and Exhibit 99.1 attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") or otherwise subject to the liabilities of that Section, and this Current Report on Form 8-K and Exhibit 99.1 furnished herewith shall not be incorporated by reference into any filing by Harmonic under the Securities Act of 1933, as amended, or under the Exchange Act.

Item 8.01. Other Event

On April 24, 2012, the Company announced that its board of directors had approved the repurchase of up to \$25 million of the Harmonic's common stock. Such repurchases may be made from time to time subject to pre-determined price/volume guidelines established by the board of directors. A copy of the press release is furnished as Exhibit 99.2 hereto, and the information in Exhibit 99.2 is incorporated herein by reference.

Forward Looking Statements

This Item 8.01 contains forward-looking statements about Harmonic's common stock repurchase program, including the foregoing paragraphs contain forward-looking statements about Harmonic's common stock repurchase program, including the maximum dollar amount of common stock that may be purchased under the program, how the purchases will be funded and how the Company may affect the repurchases. The statements are based on management's current expectations, estimates and projections, are not guarantees of future performance, and are subject to certain risks, uncertainties and other factors, some of which are beyond the company's control and are difficult to predict, including, but not limited to, changes in the market price of the company's common stock and changes in the company's financial results, financial condition and cash requirements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. Harmonic undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release of Harmonic Inc., issued on April 24, 2012, related to the preliminary and unaudited financial results for the quarter ended March 30, 2012.
99.2	Press release of Harmonic Inc., issued on April 24, 2012, related to the repurchase of up to \$25 million of the company's stock.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 24, 2012

HARMONIC INC.

By: /s/ Carolyn V. Aver
Carolyn V. Aver
Chief Financial Officer

EXHIBIT INDEX

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For Immediate Release

Harmonic Announces First Quarter 2012 Results

Quarterly Bookings Up 8% Year-Over-Year

SAN JOSE, Calif.—April 24, 2012—Harmonic Inc. (NASDAQ: HLIT), a global leader in video infrastructure solutions, today announced its preliminary and unaudited results for the quarter ended March 30, 2012.

Net revenue for the first quarter of 2012 was \$127.7 million, compared to \$132.8 million in the first quarter of 2011. As previously announced, net revenue for the first quarter of 2012 was adversely impacted by an unexpectedly slow order rate in the early part of the quarter and a decline in demand from European customers throughout the quarter.

Total bookings in the first quarter of 2012 were approximately \$142.5 million, up 8% from approximately \$131.6 million for the first quarter of 2011.

The Company reported a GAAP net loss for the first quarter of 2012 of \$7.5 million, or (\$0.06) per share, compared to GAAP net income of \$0.5 million, or \$0.00 per share, for the first quarter of 2011. Non-GAAP net income for the first quarter of 2012 was \$3.2 million, or \$0.03 per diluted share, compared to \$10.3 million, or \$0.09 per diluted share, for the first quarter of 2011. See "Use of Non-GAAP Financial Measures" and "GAAP to Non-GAAP Net Income (Loss) Reconciliation" below.

For the first quarter of 2012, Harmonic had GAAP gross margins of 42% and GAAP operating margins of (7%), compared to 47% and 0%, respectively, for the same period of 2011. Non-GAAP gross margins were 47% and non-GAAP operating margins were 3% for the first quarter of 2012, compared to 51% and 10%, respectively, for the same period of 2011. As previously announced, gross margins for the first quarter of 2012 were impacted by a revenue mix with lower video processing sales and increased cable edgeQAM sales. The Company's new edgeQAM products initially carry lower gross margins, but are expected to enable future sales of higher margin software licenses as network traffic increases.

As of March 30, 2012, the Company had cash, cash equivalents and short-term investments of \$168.5 million, up from \$161.8 million as of December 31, 2011 and \$117.3 million as of April 1, 2011. In a separate press release, Harmonic also announced today that its board of directors has approved the repurchase of up to \$25 million of the Company's common stock.

"We got off to an unusually slow start in the first quarter and our European business remained soft throughout the quarter, but our bookings growth in other geographies underscores the fundamental strength of our business," said Patrick Harshman, president and chief executive officer. "During the first quarter, we saw robust demand for our HectoQAM product and record professional services and support bookings. We're also encouraged by the positive customer response to the introductions of our powerful new playout, distribution and multiscreen delivery solutions.

"While we have uncertain near-term visibility regarding our European business, we continue to expect sequential growth in the second quarter and believe that the global proliferation of video content and media outlets, along with increasing demand for higher quality video in every format delivered over bandwidth constrained networks, plays to our core strengths."

Business Outlook

Harmonic anticipates net revenue in a range of \$130 million to \$140 million for the second quarter of 2012. GAAP gross margins and operating expenses for the second quarter of 2012 are expected to be in the range of 44% to 46% and \$62 to \$63 million, respectively. Non-GAAP gross margins and operating expenses for the second quarter of 2012, which will exclude charges for stock-based compensation and the amortization of intangibles, are anticipated to be in the range of 49% to 51% and \$56 million to \$57 million, respectively.

Conference Call Information

Harmonic will host a conference call today to discuss its financial results at 2:00 P.M. Pacific (5:00 P.M. Eastern). A listen-only broadcast of the conference call can be accessed on the Company's website at www.harmonicinc.com or by calling +1.706.634.9047 (conference identification code 67072332). The replay will be available after 6:00 P.M. Pacific at the same website address or by calling +1.404.537.3406 (conference identification code 67072332).

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About Harmonic Inc.

Harmonic Inc. (NASDAQ: HLIT) provides infrastructure that powers the video economy. The company enables content and service providers to efficiently create, prepare, and deliver differentiated video services for television and new media platforms. More information is available at www.harmonicinc.com.

Legal Notice Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements related to our expectations: regarding our final results for the first quarter ended March 30, 2012; regarding higher margin software licenses as network traffic increases, regarding uncertain near-term visibility of our European business; regarding sequential growth in the second quarter; that the global proliferation of video content and media outlets, along with increasing demand for higher quality video in every format delivered over bandwidth constrained networks, play to our core strengths; and regarding net revenue, GAAP gross margins, GAAP operating expenses, non-GAAP gross margins and non-GAAP operating expenses for the second quarter of 2012. Our expectations regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks include the possibility, in no particular order, that: the trends toward more high-definition, on-demand and anytime, anywhere video will not continue to develop at its current pace, or at all; the possibility that our products will not generate sales that are commensurate with our expectations or that our cost of revenue or operating expenses may exceed our expectations; the mix of products and services sold in various geographies and the effect it has on gross margins; delays or decreases in capital spending in the cable, satellite and telco and broadcast and media industries; customer concentration and consolidation; the impact of general economic conditions, including as a result of recent turmoil in the global financial markets, particularly on our European and other international sales and operations; our ability to develop new and enhanced products and market acceptance of new or existing Harmonic products; losses of one or more key customers; risks associated with Harmonic's international operations; inventory management; the lack of timely availability of parts or raw materials necessary to produce our products; the impact of increases in the prices of raw materials and oil; the effect of competition; difficulties associated with rapid technological changes in Harmonic's markets; risks associated with unpredictable sales cycles; our dependence on contract manufacturers and sole or limited source suppliers; the effect on Harmonic's business of natural disasters; and the risks that our international sales and support center will not provide the operational or tax benefits that we anticipate or that its expenses exceed our plans. The forward-looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in Harmonic's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2011 and our Current Reports on Form 8-K. The forward-looking statements in this press release are based on information available to the Company as of the date hereof, and Harmonic disclaims any obligation to update any forward-looking statements.

Editor's Note: Product and company names used here are trademarks or registered trademarks of their respective companies.

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Harmonic Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	March 30, 2012	December 31, 2011
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 81,019	\$ 90,983
Short-term investments	87,440	70,854
Accounts receivable, net	111,753	109,886
Inventories	65,545	70,649
Deferred income taxes	29,897	28,032
Prepaid expenses and other current assets	<u>18,893</u>	<u>21,474</u>
Total current assets	394,547	391,878
Property and equipment, net	40,439	40,469
Goodwill, intangibles and other assets	<u>295,069</u>	<u>301,819</u>
Total assets	<u>\$ 730,055</u>	<u>\$ 734,166</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 31,481	\$ 30,537
Income taxes payable	871	2,290
Deferred revenue	35,803	33,095
Accrued liabilities	<u>39,050</u>	<u>46,896</u>
Total current liabilities	107,205	112,818
Income taxes payable, long-term	47,809	47,307
Deferred income taxes, long-term	1,259	655
Other non-current liabilities	<u>9,660</u>	<u>9,070</u>
Total liabilities	<u>165,933</u>	<u>169,850</u>
Stockholders' equity:		
Common stock	2,440,276	2,433,280
Accumulated deficit	(1,875,617)	(1,868,089)
Accumulated other comprehensive loss	<u>(537)</u>	<u>(875)</u>
Total stockholders' equity	564,122	564,316
Total liabilities and stockholders' equity	<u>\$ 730,055</u>	<u>\$ 734,166</u>

Harmonic Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended	
	March 30, 2012	April 1, 2011
	(In thousands, except per share amounts)	
Net revenue	\$ 127,721	\$ 132,835
Cost of revenue	74,059	70,980
Gross profit	53,662	61,855
Operating expenses:		
Research and development	27,829	26,149
Selling, general and administrative	32,311	33,564
Amortization of intangibles	2,179	2,229
Total operating expenses	62,319	61,942
Loss from operations	(8,657)	(87)
Interest and other income (expense), net	522	(15)
Loss before income taxes	(8,135)	(102)
Benefit from income taxes	(607)	(618)
Net income (loss)	\$ (7,528)	\$ 516
Net income (loss) per share:		
Basic	\$ (0.06)	\$ 0.00
Diluted	\$ (0.06)	\$ 0.00
Weighted average shares:		
Basic	117,275	113,836
Diluted	117,275	116,109

Harmonic Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended	
	March 30, 2012	April 1, 2011
	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	\$ (7,528)	\$ 516
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of intangibles	7,539	7,371
Depreciation	3,798	3,403
Stock-based compensation	4,800	6,002
Net loss on disposal of fixed assets	—	61
Deferred income taxes	(1,262)	76
Other non-cash adjustments, net	(8)	121
Changes in assets and liabilities:		
Accounts receivable, net	(1,863)	(10,277)
Inventories	5,104	(732)
Prepaid expenses and other assets	1,892	998
Accounts payable	936	(3,616)
Deferred revenue	2,740	4,430
Income taxes payable	(929)	(6,748)
Accrued and other liabilities	(7,255)	(9,288)
Net cash provided by (used in) operating activities	<u>7,964</u>	<u>(7,683)</u>
Cash flows from investing activities:		
Purchases of investments	(36,654)	(41,813)
Proceeds from sales and maturities of investments	19,833	7,899
Acquisition of property and equipment	(3,715)	(4,957)
Net cash used in investing activities	<u>(20,536)</u>	<u>(38,871)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock, net	2,479	9,570
Net cash provided by financing activities	<u>2,479</u>	<u>9,570</u>
Effect of exchange rate changes on cash and cash equivalents	129	123
Net decrease in cash and cash equivalents	(9,964)	(36,861)
Cash and cash equivalents at beginning of period	90,983	96,533
Cash and cash equivalents at end of period	<u>\$ 81,019</u>	<u>\$ 59,672</u>

**Harmonic Inc.
Revenue Information
(Unaudited)**

	Three months ended			
	March 30, 2012		April 1, 2011	
	(In thousands, except percentages)			
Product				
Video Processing	\$ 52,681	41%	\$ 63,758	48%
Production and Playout	20,878	16%	20,933	16%
Edge and Access	36,808	29%	31,176	23%
Services and Support	17,354	14%	16,968	13%
Total	<u>\$127,721</u>	100%	<u>\$132,835</u>	100%
Geography				
United States	\$ 60,854	48%	\$ 58,954	44%
International	66,867	52%	73,881	56%
Total	<u>\$127,721</u>	100%	<u>\$132,835</u>	100%
Market				
Cable	\$ 61,754	48%	\$ 55,920	42%
Satellite and Telco	25,859	21%	35,152	27%
Broadcast and Media	40,108	31%	41,763	31%
Total	<u>\$127,721</u>	100%	<u>\$132,835</u>	100%

Note: We have revised our market categories to combine the Telco revenue with the Satellite category. The data for prior periods has been revised to conform with this presentation.

Use of Non-GAAP Financial Measures

In establishing operating budgets, managing its business performance, and setting internal measurement targets, the Company excludes a number of items required by GAAP. Management believes that these accounting charges and credits, most of which are non-cash or non-recurring in nature, are not useful in managing its operations and business. Historically, the Company has also publicly presented these supplemental non-GAAP measures in order to assist the investment community to see the Company "through the eyes of management," and thereby enhance understanding of its operating performance. The non-GAAP measures presented here are gross margins, operating expense, net income and net income per share. The presentation of non-GAAP information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP, and is not necessarily comparable to non-GAAP results published by other companies. A reconciliation of the historical non-GAAP financial measures discussed in this press release to the most directly comparable historical GAAP financial measures is included with the financial statements contained in this presentation. The non-GAAP adjustments described below have historically been excluded from our GAAP financial measures. These adjustments are excess facilities charges and non-cash items, such as stock-based compensation expense, amortization of intangibles, and discrete tax items and adjustments.

Harmonic Inc.
GAAP to Non-GAAP Net Income (Loss) Reconciliation
(Unaudited)

	Three months ended					
	March 30, 2012			April 1, 2011		
	Gross Profit	Operating Expense	Net Income (Loss)	Gross Profit	Operating Expense	Net Income
	(In thousands, except per share amounts)					
GAAP	\$53,662	\$62,319	\$ (7,528)	\$61,855	\$61,942	\$ 516
Cost of revenue related to stock-based compensation expense	794	—	794	747	—	747
Research and development expense related to stock-based compensation expense		(1,724)	1,724	—	(1,836)	1,836
Selling, general and administrative expense related to stock-based compensation expense	—	(2,282)	2,282	—	(3,419)	3,419
Selling, general and administrative expense related to excess facility costs and other non-recurring expenses	—	—	—	—	(409)	409
Amortization of intangibles	5,360	(2,179)	7,539	5,142	(2,229)	7,371
Discrete tax items and adjustments	—	—	(1,659)	—	—	(4,038)
Non-GAAP	<u>\$59,816</u>	<u>\$56,134</u>	<u>\$ 3,152</u>	<u>\$67,744</u>	<u>\$54,049</u>	<u>\$ 10,260</u>
GAAP net income (loss) per share - basic			<u>\$ (0.06)</u>			<u>\$ 0.00</u>
GAAP net income (loss) per share - diluted			<u>\$ (0.06)</u>			<u>\$ 0.00</u>
Non-GAAP net income per share - basic			<u>\$ 0.03</u>			<u>\$ 0.09</u>
Non-GAAP net income per share - diluted			<u>\$ 0.03</u>			<u>\$ 0.09</u>
Shares used in per share calculation - basic			<u>117,275</u>			<u>113,836</u>
Shares used in per share calculation - diluted, GAAP			<u>117,275</u>			<u>116,109</u>
Shares used in per share calculation - diluted, non-GAAP			<u>118,134</u>			<u>116,109</u>

For Immediate Release

Harmonic Announces Stock-Repurchase Program

SAN JOSE, Calif.—April 24, 2012—Harmonic Inc. (NASDAQ: HLIT), a global leader in video infrastructure solutions, today announced that its board of directors has approved the repurchase of up to \$25 million of the company's common stock.

This stock repurchase program authorizes the purchase of \$25 million of the company's common stock through open market transactions, at times and in such amounts as management deems appropriate, subject to certain pre-determined price/volume guidelines set, from time to time, by the board of directors. The timing and actual number of shares repurchased will depend on a variety of factors, including price, corporate and regulatory requirements, strategic priorities, and other market conditions. The stock repurchase program expires in 18 months and may be limited or terminated at any time before the end of the period without any prior notice. The purchases will be funded from available working capital.

The company held \$168.5 million in cash and investments as of March 30, 2012. As of April 23, 2012, there were approximately 117.6 million shares of common stock outstanding.

About Harmonic Inc.

Harmonic Inc. (NASDAQ: HLIT) provides infrastructure that powers the video economy. The Company enables content and service providers to efficiently create, prepare, and deliver differentiated video services for television and new media platforms. More information is available at www.harmonicinc.com.

Legal Notice Regarding Forward Looking Statements

The foregoing paragraphs contain forward-looking statements about Harmonic's common stock repurchase program, including the maximum dollar amount of common stock that may be purchased under the program, how the purchases will be funded and how the Company may affect the repurchases. The statements are based on management's current expectations, estimates and projections, are not guarantees of future performance, and are subject to certain risks, uncertainties and other factors, some of which are beyond the company's control and are difficult to predict, including, but not limited to, changes in the market price of the company's common stock and changes in the company's financial results, financial condition and cash requirements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Harmonic undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

EDITOR'S NOTE – Product and company names used herein are trademarks or registered trademarks of their respective owners.

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